



March 7, 2023

SUMMARY OF BILL AS AMENDED (004717): Eliminates the criminal offense of possession of a firearm or club with intent to go armed.

Lowers, from 21 to 18, the minimum age required for a person to obtain an enhanced, lifetime enhanced, and concealed handgun carry permit.

Renames concealed handgun carry permits and enhanced handgun carry permits to concealed firearm carry permits and enhanced firearm carry permits. Authorizes holders of concealed and enhanced handgun carry permits to carry any firearm that the permit-holder legally owns or possesses in any place or manner that is currently authorized for handguns.

Creates a Class A misdemeanor offense for a juvenile to carry, with the intent to go armed, a firearm. Provides numerous exceptions to this offense.

FISCAL IMPACT OF BILL AS AMENDED:

**Increase State Revenue – \$175,800/FY23-24/Handgun Permit Division
\$116,000/FY24-25/Handgun Permit Division
\$58,000/FY25-26/Handgun Permit Division**

**\$86,700/FY23-24/Tennessee Bureau of Investigation
\$57,200/FY24-25/Tennessee Bureau of Investigation
\$28,600/FY25-26/Tennessee Bureau of Investigation**

**Increase State Expenditures – \$3,300/FY23-24/Handgun Permit Division
\$2,200/FY24-25/Handgun Permit Division
\$1,100/FY25-26/Handgun Permit Division**

**\$39,700/FY23-24/Tennessee Bureau of Investigation
\$26,200/FY24-25/Tennessee Bureau of Investigation
\$13,100/FY25-26/Tennessee Bureau of Investigation**

**Increase Local Revenue – \$24,900/FY23-24
\$16,500/FY24-25
\$8,200/FY25-26**

Decrease Local Expenditures – Net - \$1,905,900/FY23-24 and Subsequent Years

Other Fiscal Impact – The Department of Safety will require updates to two separate systems related to lowering the minimum age to obtain a handgun permit and renaming handgun permits to firearm permits. Updates to both systems are assumed to be absorbed within relevant provisions of the two vendor contracts, without an additional increase in expenditures. However, if either or both provisions of the contracts are exhausted by this and other legislation subsequently enacted, there could be an additional one-time increase in state expenditures in FY23-24. The updates to the department’s A-List system could result in expenditures up to \$40,000 in FY23-24. Updates to the system that manages card printing and kiosk interfaces could result in expenditures up to \$190,000 in FY23-24.

Assumptions for the bill as amended:

- Pursuant to Tenn. Code Ann. § 39-17-1307(a), it is a Class C misdemeanor offense to carry, with the intent to go armed, a firearm or a club, punishable with possible imprisonment and an optional fine not to exceed \$500. A second or subsequent violation is a Class B misdemeanor. The penalty is enhanced to a Class A misdemeanor if the person's carrying of a handgun occurred at a place open to the public where one or more persons were present.
- Based on information provided by the Administrative Office of the Courts (AOC), in each of the last 5 years, the average number of convictions of possession of a firearm or club with intent to go armed were as follows:
 - 65.4 Class C misdemeanor convictions;
 - 2.6 Class B misdemeanor convictions; and
 - 229.6 Class A misdemeanor convictions.
- This analysis assumes that only 10 percent of misdemeanor convictions are at the state court level. As a result, the estimated number of convictions per year for such misdemeanors is as follows:
 - 654 convictions (65.4 / 10.0%) per year for such Class C misdemeanors;
 - 26 convictions (2.6 / 10.0%) per year for such Class B misdemeanors; and
 - 2,296 convictions (229.6 / 10.0%) per year for such Class A misdemeanors.
- It is assumed that, on average, a person convicted of a Class C misdemeanor will spend zero days in a local jail, a Class B misdemeanor will spend a total of one day in a local jail, and a person convicted of a Class A misdemeanor will spend a total of 15 days in a local jail.
- Based on cost estimates provided by local government entities throughout the state and reported bed capacity within such facilities, the weighted average cost per day to house an inmate in a local jail facility is \$58.21.
- The recurring decrease in expenditures to local governments associated with Class C misdemeanors is estimated to be not significant.
- The recurring decrease in expenditures to local governments associated with Class B misdemeanors is estimated to be \$1,513 (26 convictions x \$58.21 x 1) in FY23-24 and subsequent years.

- The recurring decrease in expenditures to local governments associated with Class A misdemeanors is estimated to be \$2,004,752 (2,296 convictions x \$58.21 x 15) in FY23-24 and subsequent years.
- The proposed legislation creates a new Class A misdemeanor offense for a juvenile to carry, with the intent to go armed, a firearm.
- To account for potential convictions of this offense for juveniles that are tried and convicted as adults, it is estimated that this will represent five percent of all current Class A misdemeanor offenses or 115 convictions (2,296 x 5%).
- There will be a recurring increase in local expenditures of \$100,412 (115 convictions x \$58.21 x 15).
- The recurring net decrease in expenditures to local governments associated with Class A misdemeanors is therefore estimated to be \$1,904,304 (\$2,004,752 - \$100,412) in FY23-24 and subsequent years.
- The total net decrease in expenditures to local governments is estimated to be \$1,905,853 (\$1,513 + \$1,904,304) in FY23-24 and subsequent years.
- Based on the Fiscal Review Committee's 2008 study and the Administrative Office of the Courts' 2012 study on collection of court costs, fees, and fines, collection in criminal cases is insignificant. Any decrease in local revenue related to the elimination of fines is estimated to be not significant.
- Pursuant to Tenn. Code Ann. § 39-17-1366(b)(3), in order to qualify for a concealed handgun carry permit, among other requirements, an applicant must meet the qualifications for issuance of an enhanced handgun carry permit. Thus, in addition to lowering the age to obtain an enhanced or lifetime enhanced permit, the proposed legislation would have the effect of also lowering the lawful age to obtain a concealed carry permit to 18.
- It is assumed that the Department of Safety's (DOS) Handgun Permit Division will realize an increase in revenue from the cohort of potential permit applicants aged 18-20 who will no longer need to wait until age 21 to apply.
- This increase in revenue is estimated to diminish at a steady rate over the course of three fiscal years, at which point the surge effect of the proposed legislation on permit revenue will have levelled out.
- Based on the DOS's 2022 Handgun Statistical Report, the total number of permits issued to persons aged 21-25 in 2022 was 3,693. It is assumed that one-fifth of those, or 739 permits (3,693 permits / 5) were issued to persons aged 21. That number is assumed to be equal to the number of 18-year-olds that would have applied at age 18 had they been eligible. However, in the time since those persons were aged 18, the state has removed the requirement for a permit to carry a handgun. Therefore, it is assumed that only 75 percent of those, or 554 (739 x 75%), would still have applied for a permit absent the permit requirement. Therefore, the number of 18-year-olds that would apply for a permit under the proposed legislation is estimated to be 554.
- In the first year following enactment, the same number, 554, is estimated to be issued to persons aged 19 and persons aged 20, for a total of 1,662 permits (554 permits x 3).
- In 2022, the respective percentages of permits issued for each type among the relevant group was as follows:
 - Concealed – 26%
 - Enhanced – 33%

- Lifetime Enhanced – 41%
- The fee for an original issue of each is as follows:
 - Concealed – \$65
 - Enhanced – \$100
 - Lifetime Enhanced – \$300
- From every enhanced and lifetime enhanced fee paid, \$15 is allocated to the applicable sheriff's department to cover the cost of a local background check; \$15 is allocated to the Tennessee Bureau of Investigation (TBI) for updating and maintaining their databases; \$37.15 is allocated to the TBI to cover the cost of fingerprint vendors, TBI background checks, and Federal Bureau of Investigation (FBI) fingerprint background checks. As a result, the DOS disburses \$67.15 (\$15 sheriff + \$15 TBI + \$37.15 TBI) of every application fee for these permits for these purposes.
- Therefore, the revenue that accrues to the DOS after background fees are disbursed is as follows:
 - Concealed – (\$2.15) (\$65 - \$67.15)
 - Enhanced – \$32.85 (\$100 - \$67.15)
 - Lifetime Enhanced – \$262.85 (\$300 – \$67.15)
- The increase in revenue in year one related to 18-year-olds is estimated to be \$58,586, as follows:
 - Concealed – (554 x 26% x -\$2.15) = (\$310)
 - Enhanced – (554 x 33% x \$32.85) = \$6,006
 - Lifetime Enhanced – (554 x 41% x \$232.85) = \$52,890
 - Total – [(\$6,006 + \$52,890) - \$310] = \$58,586
- It is assumed the same amount of revenue will be received from 19 and 20-year-olds.
- Therefore, the total increase in revenue to DOS is estimated to be as follows:
 - \$175,758 (\$58,586 x 3) in FY23-24
 - \$116,000 (\$175,758 x 66%) in FY24-25
 - \$58,000 (\$175,758 x 33%) in FY25-26
- The DOS will incur an increase in expenditures related to printing new permits cards. The estimated cost per permit is \$1.99.
- Therefore, the total increase in expenditures to DOS is estimated to be as follows:
 - \$3,307 (1,662 permits x \$1.99) in FY23-24
 - \$2,183 [(1,662 permits x 66%) x \$1.99] in FY24-25
 - \$1,091 [(1,662 permits x 33%) x \$1.99] in FY25-26
- For each new permit application, the TBI will receive \$52.15. The increase in revenue to the TBI is estimated to be as follows:
 - \$86,673 (1,662 permits x \$52.15) in FY23-24
 - \$57,209 [(1,662 permits x 66%) x \$52.15] in FY24-25
 - \$28,630 [(1,662 permits x 33%) x \$52.15] in FY25-26
- The TBI reports an expense to the fingerprint vendor of \$10.65, and an additional expense of \$13.25 to the FBI per background check, for a total expenditure per background check of \$23.90 (\$10.65 + \$13.25).
- Therefore, the total increase in expenditures to the TBI is estimated to be as follows:
 - \$39,722 (1,662 permits x \$23.90) in FY23-24
 - \$26,218 [(1,662 permits x 66%) x \$23.90] in FY24-25
 - \$13,097 [(1,662 permits x 33%) x \$23.90] in FY25-26

- From every permit application fee, \$15 is allocated to the applicable sheriff's department to cover the cost of a local background check. Therefore, the total increase in revenue to local sheriff's offices is estimated to be as follows:
 - \$24,930 (1,662 permits x \$15) in FY23-24
 - \$16,455 [(1,662 permits x 66%) x \$15] in FY24-25
 - \$8,220 [(1,662 permits x 33%) x \$15] in FY25-26
- The proposed legislation is not estimated to change the current rate of permit renewals.
- Expanding the authority of the carry permits to include carrying firearms in the same manner as handguns is not expected to substantially impact the total number of permits applied for each year. Therefore, there will not be a significant increase in state revenue or expenditures to the Handgun Permit Division related to this provision.
- The offense for a minor to carry a firearm with the intent to go armed, as proposed in this legislation, is a delinquent act and not punishable by incarceration or fines. Any increase in workload to the courts can be accomplished with existing staff and resources. There will not be significant impact to local government expenditures or revenue.
- Any fiscal impact to the Department of Safety related to delinquent juveniles' driver licenses being suspended is estimated to be not significant.
- Lowering the minimum age requirement to obtain a handgun permit, and renaming handgun permits to firearm permits will require updates to the DOS's A-List system. It is assumed these updates can be performed within existing resources under a current contract provision. However, if this and other legislation subsequently enacted exhausts the relevant contract provision, then the updates could result in a one-time increase in state expenditures up to \$40,000 in FY23-24.
- Renaming handgun permits to firearm permits will also require updates to the system which manages card printing and kiosk interfaces. It is assumed these updates can be accomplished within a contract provision that allows for two such changes per contract cycle. However, if this and other legislation subsequently enacted requires more than two such changes, then the updates could result in a one-time increase in state expenditures up to \$190,000 in FY23-24.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

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